

SWAZILAND

By George J. Coakley

Mining has been an important part of the history of Swaziland and a small but important factor in its present economy. Swaziland contains the world's oldest known mine at the Lion Cavern site (also known as Bomvu Ridge) in the Ngwenya Mountains where carbon-14 dating studies estimated the date of earliest mining of mining of hematite (libomvu) and specularite, which were extracted for cosmetic and ritual uses, from 43,000 B.C. to 41,000 B.C. These ores could have been mined until at least 23,000 B.C. (Swaziland National Trust Commission, [undated], Mines of Malolotja—Iron mines, accessed April 1, 2001, at URL <http://www.sntc.org.sz/cultural/ironmine.html>).

In fiscal year 1999-2000, mining and quarrying generated revenues of about \$19.4 million¹; these revenues were estimated to equal 1.3% of the kingdom's gross domestic product, which was \$1.49 billion. Mining and quarrying revenues for fiscal year 1999-2000 were comprised of asbestos (\$9.3 million), coal (\$8.5 million), and crushed stone (\$1.6 million) (Central Bank of Swaziland, [2001], Annual report 99-00, accessed April 27, 2001, at URL http://www.centralbank.sz/report2000/ar2000_04.html). Fewer than 1,000 Swazi's were employed in the mining sector. An estimated 1,000 Swazis processed timber that was exported to mines in South Africa, and 10,000 to 15,000 Swazis were employed in South African mines. Wage repatriation from miners in South Africa contributed to the Swazi economy; the collapse of international gold prices and subsequent downsizing of the South African gold mining labor force, however, resulted in layoffs of a number of Swazi miners and reduction in miner remittances back to Swaziland.

Asbestos, coal, and crushed stone remained the country's main mining products (table 1). Diamond mining ceased in 1996. Small-scale gold mining has taken place in the past within an extension of South Africa's well-known Barberton greenstone belt into Swaziland; no gold was officially being produced. Swaziland Greenstone Quarry, which was a Taiwanese company, was examining the potential for developing a green chert operation in the Malolotja Nature Reserve in the Hhohho region.

Government Policies and Legislation

In 1998, the Investment Promotion Bill of 1997 became law. The legislation, which is part of the Swazi economic and social reform agenda, was developed to promote local and foreign investment in Swaziland. The Swaziland Investment Promotion Authority, which is a one-stop service center for investors, opened in 1999. In October 2000, the Government announced new tax incentives to attract new foreign investment. The new provisions included a 10-year cut in corporate tax from 37.5 %

to 10% for eligible "development" companies and a 10-year exemption from withholding tax on dividends. Mbendi Information Services (October 23, 2000, Swaziland—Mining, accessed April 2, 2001, at URL <http://www.mbendi.co.za/indy/mining/af/sw/p0005.htm>) reported that China provided a small grant to the Government in 1999 to establish a new mining policy for Swaziland. In an overview of minerals policy and legislation in Swaziland, Mbendi described the following: "There is a fundamental distinction in the constitutional law of Swaziland between the State and its Government on the one hand and on the other the 'Swazi Nation' and the King (the Ngwenyama). By constitution, minerals are vested in the Ngwenyama in trust for the Swazi Nation. The Ngwenyama grants mineral rights after consultation with a Minerals Committee. This committee is appointed by the Ngwenyama on advice by his advisors in accordance with the Swazi law and custom. The conditions and terms of mineral rights issued are negotiated and approved by the Ngwenyama."

Commodity Review

Asbestos.—Production of chrysotile asbestos from the Bulembe Mine, which was one of the world's largest asbestos mines, decreased by 17% from 1998 to 1999. The mine which employed about 1,000 workers, was given a 5-year grace before it had to close in early 1999, when the European Union agreed to delay a ban on asbestos products based on proven health hazards (African National Congress, January 5, 1999, Swazi asbestos mine given five years grace before closure, accessed April 2, 2001, at URL <http://www.anc.org.za/anc/newsbrief/1999/news0105>). Following similar actions by South African asbestos miners, a group of 450 former asbestos miners who suffer from asbestos-related lung disease announced in September 2000 plans to file suit against the British firm of Turner and Newall, which operated an asbestos mine in northwestern Swaziland in the early 1980's.

Coal.—The Maloma Mine, which was the sole coal producer, switched from open pit to underground operations during 1999 and was producing at a rate of 480,000 metric tons per year of high-quality anthracite during 2000 (James Hall, May13, 1999, Coal leads the way as Swazi mines crank up mineral output, accessed June 18, 1999, at URL <http://www.bday.co.za/99/0513/world/w9.htm>). All the anthracite coal production was exported to South Africa. The Mapaka Collieries and the Moaka Collieries, which were the country's two other coal mines, were still closed but had remaining coal reserves of 30 million metric tons each. The Natural Resources and Energy Ministry was seeking investors to reopen these coal mines (Southern Africa Development Community-European Union, October 10-13, 2000, SADC-EU mining investment forum—

¹Where necessary, values have been converted from Swazi emalangen (E) to U.S. dollars at the rate of E7.1=US\$1.00 for 2000 and E6.11=US\$1.00 for 1999.

Mines 2000 projects—Swaziland, accessed April 12, 2001, at URL <http://www.mines2000projects.com/swazi.htm>).

Stone, Crushed.—The production of crushed stone for road building and construction stone decreased sharply by 55% from 1998 to 1999. Although final data was not available, it was expected to rebound during 2000 with the approval for construction of the Nhlengano-Lavumisa highway, the Ngwenya-Mbabane highway, the Siteki-Mhlumeni road, continued work on the Mbabane-Manzini highway, and the Maguga Dam.

Major Sources of Information

Ministry of Natural Resources and Energy
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TABLE 1
SWAZILAND: PRODUCTION OF MINERAL COMMODITIES 1/

Commodity 2/		1996	1997	1998	1999	2000 e/
Asbestos, chrysotile fiber	metric tons	26,014	25,888	27,693	22,912	11,000
Coal, anthracite	thousand metric tons	129	203	410	426	380
Diamond	carats	75,000	--	--	--	--
Stone, quarry products	thousand cubic meters	221	456	453	250	350

e/ Estimated. -- Zero.

1/ Reported data from Swaziland Geological Survey and Mines Department or Central Bank. Includes data available through April 2001.

2/ In addition to the commodities listed, modest quantities of crude construction materials (brick clay and sand and gravel) and pyrophyllite are produced, but output is not reported quantitatively, and information is inadequate to make reliable estimates of output levels.